

**DESTINATION MEDICAL CENTER CORPORATION**

**RESOLUTION NO. 32-2015**

**Approving the Broadway at Center Project**

The following Resolution was offered by James V. Bier, and seconded by Ardele F. Brede.

BACKGROUND RECITALS

A. Under Minnesota Statutes Section 469.41 Subdivision 13, a project must be approved by the Destination Medical Center Corporation (“DMCC”) before it is proposed to the City of Rochester (the “City”). The DMCC must review the project proposed for consistency with the adopted Development Plan.

B. By correspondence to the DMCC dated April 16, 2015 the City has requested approval of the Broadway at Center project, and that City expenditures and financing in the amount of \$14.435 million be credited to the City’s \$128 million local contribution as required by statute (the “Proposed Project”). The City’s expenditures and financing include funding from a combination of parking and tax increment financing bonds.

C. On January 30, 2014, the DMCC approved Resolution No. 12-2014, granting, at the request of the City, preliminary limited consideration with respect to the Broadway at Center project, subject to the following conditions:

a. Based on the representations of the City and the information received from the City and Titan Ventures regarding the Proposed Project, and at the request of the City, the DMCC hereby grants, solely for the benefit of the City, preliminary limited consideration with respect to the Proposed Project, subject to the following conditions:

(1) The preliminary limited consideration granted hereby is given solely to permit any potential City public infrastructure costs and expenditures that may be incurred with respect to the Proposed Project to be considered as eligible for City credit as local matching expenditures under the Act, and for no other purpose. Neither Titan Ventures nor any person other than the City may rely on this Resolution for any other purpose.

(2) The preliminary limited consideration granted hereby is subject in all respects and for all purposes to the Development Plan and the

provisions thereof, including but not limited to the designated boundaries of any development district or development districts identified therein, when and if a Development Plan has been duly adopted and approved in accordance with the Act. Nothing in this Resolution is intended to result in any limitation on the DMCC or the City in the exercise of their discretion regarding the provisions of the approved Development Plan or the boundaries of any development district or development districts identified therein.

(3) That the City shall re-refer the Proposed Project to the DMCC, once the Development Plan is approved, for final approval by the DMCC in accordance with the Act.

- b. The DMCC hereby refers the subject matter of the Proposed Project to the City for its customary planning and development processes, procedures and due diligence with respect to further municipal approval and development of the Proposed Project.
- c. The DMCC will consider the final form of the Proposed Project, along with a request from the City for determination of the amount the City has contributed to the Proposed Project for its local match, subject to compliance with the Act, completion of and compliance with the Development Plan, and other matters as are deemed necessary or appropriate by DMCC.

D. The Development Plan was adopted by the DMCC on April 23, 2015.

E. Consistent with DMCC Resolution 12-2014, the City has again referred the Broadway at Center project to the DMCC upon adoption of the Development Plan.

F. Pursuant to Minnesota Statutes, Section 469.47, subdivision 4, the City's local match contribution may be provided by the City from any source identified in Minn. Stat. Section 469.45 and any other local tax proceeds or other funds from the City and may include providing funds to assist developers undertaking projects in accordance with the development plan or by the City directly undertaking public infrastructure projects in accordance with the development plan, provided the projects have been approved by the DMCC.

G. The City has completed an examination of the Proposed Project applying the evaluation factors contained in the Development Plan.

H. Minnesota Statutes, Section 469.40, subdivision 11, defines “public infrastructure project” as “a project financed in part or in whole with public money in order to support the medical business entity’s development plans, as identified in the DMCC development plan” and expressly includes, among other items, the ability to

“(1) acquire real property and other assets associated with the real property; . . . (4) install, construct, or reconstruct elements of public infrastructure required to support the overall development of the destination medical center development district including, but not limited to, streets, roadways, utilities systems and related facilities, utility relocations and replacements, network and communication systems, streetscape improvements, drainage systems, sewer and water systems, subgrade structures and associated improvements, landscaping, facade construction and restoration, wayfinding and signage, and other components of community infrastructure; (5) acquire, construct or reconstruct, and equip parking facilities and other facilities to encourage intermodal transportation and public transit; . . . (7) make related site improvements including, without limitation, excavation, earth retention, soil stabilization and correction, and site improvements to support the destination medical center development district; [and] (8) prepare land for private development and to sell or lease land . . . .”

#### RESOLUTION

**NOW, THEREFORE, BE IT RESOLVED**, by the Destination Medical Center Corporation Board of Directors, that the DMCC finds that the Proposed Project is located within the development district boundaries as identified in the Development Plan adopted on April 23, 2015.

**BE IT FURTHER RESOLVED**, that the DMCC finds that the Proposed Project is a public infrastructure project within the meaning of Minnesota Statutes, Section 469.40, subdivision 11, which provides for: acquiring real property and other assets associated with the real property; installing, constructing or reconstructing elements of public infrastructure required to support the overall development of the Destination Medical Center development district; acquiring, constructing or reconstructing, or equipping parking facilities and other facilities to encourage intermodal transportation and public transit; making related site improvements; and preparing land for private development; and that the DMCC approves the Proposed Project as consistent with the Development Plan.

**BE IT FURTHER RESOLVED**, that the DMCC approves the Proposed Project for the purposes of Minnesota Statutes, Section 469.47, subdivision 4, and supports the certification of the City’s expenditures identified in the Proposed Project upon final approval by the City,

subject to approval and certification by the State of Minnesota, Department of Employment and Economic Development, as part of the City's \$128 local contribution.

**BE IT FURTHER RESOLVED**, that the Chair or the Treasurer of the DMCC is authorized to take such actions as are necessary and appropriate to effectuate the findings and approvals of this Resolution.

The question was on the adoption of the Resolution and there were 7 YEAS and 0 NAYS, as follows:

BOARD OF DIRECTORS  
Destination Medical Center Corporation

	<u>YEA</u>	<u>NAY</u>	<u>OTHER</u>
James V. Bier	<u>  X  </u>	<u>      </u>	<u>      </u>
Ardell F. Brede	<u>  X  </u>	<u>      </u>	<u>      </u>
James R. Campbell	<u>  X  </u>	<u>      </u>	<u>      </u>
Ed Hruska	<u>  X  </u>	<u>      </u>	<u>      </u>
William George	<u>      </u>	<u>      </u>	<u>      </u>
Susan Park Rani	<u>  X  </u>	<u>      </u>	<u>      </u>
R. T. Rybak	<u>  X  </u>	<u>      </u>	<u>      </u>
Tina Smith	<u>  X  </u>	<u>      </u>	<u>      </u>

RESOLUTION ADOPTED ON April 30, 2015.

ATTEST:



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Tina Smith, Chair  
Destination Medical Center Corporation